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C O N F I D E N T I A L SECTION 01 OF 02 ASMARA 000307

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LONDON, PARIS FOR AFRICA WATCHERS

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TAGS: [PREL](#) [SU](#) [ER](#) [QA](#)

SUBJECT: EXPANDING QATARI INTERESTS IN ERITRA; COMMERCIAL,
POLITICAL OR BOTH?

REF: A. USDAO ASMARA IIR 6 908 0222 07 - DTG 090818Z MAR
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[1](#)B. KHARTOUM 00406

Classified By: AMB. SCOTT H. DELISI FOR REASONS 1.4(B) AND (D)

[1](#)1. (C) In a March 14 meeting with DCM, the Sudanese DCM in Eritrea Hussein Mohammed Hussein expanded on recent press reports on March 7-8 discussions between Eritrean President Isaias, Sudanese President Bashir, and Sheikh Hamed Al-Thani, Emir of Qatar in Doha. The topics they focused on included commercial development projects and development assistance to Sudan and Eritrea; Darfur; and Somalia. Hussein also provided details on upcoming Qatari investment and development projects in Eritrea and the Eritrean/Eastern Sudanese border area.

[1](#)2. (C) Sudanese DCM Hussein said that Qatar had finalized several commercial projects with Eritrea during President's Isaias' meetings last week with the Emir. These projects include: development assistance to Eritrea and Sudan for their border area, to include funding the construction of a road from Kassala to Port Sudan -- an interesting development in light of recent reports (Ref A) of an agreement between Sudan and Eritrea to give the GSE as much as 50 percent of the transit of overland cargo to Khartoum in return for the GSE's support to the NCP. Qatar has also reportedly agree to the refurbishment of two hotels (the Gurgeson and Hamasien) in the port city of Massawa; and development of the Dahlak Islands. (Note: There are many islands in the Dahlak group located in the Red Sea off of the port of Massawa. Hussein did not elaborate further on which islands and what type of "development" was envisioned. End Note.) Hussein added that the planning for these projects had been in train for several months between the Government of the State of Eritrea (GSE) and the Qatari company, Diyar, and had included two prior visits, the last visit occurring in February in which the Eritreans had taken Diyar company personnel by helicopter to the Dahlak islands. He added that a Diyar representative would be in Eritrea on a third visit at the end of this week to open a headquarters office in Asmara and work out the transfer of funds from Qatar to the Eritrean banks. Hussein added that the Qataris further had agreed in last week's meetings to build a school and hospital at "Marsa Farma" (phonetic spelling - possibly Mersa Fatuma/Maersa Fatma, a former Italian air base located on the coast between Massawa

and Assab) as development assistance to the GSE.

13. (C) When asked about the Qatari interest in Darfur, Hussein noted that the Qatari Emir had in the past, played a significant role in mediating issues between Eritrea and Sudan. While Hussein was not absolutely certain of what was discussed vis-a-vis Darfur, he believed that the meeting had included a proposal for Qatar to serve as the conduit to the international community to reconcile the proposals for an Eritrean-Libyan-led Darfur initiative with the UN/AU initiative. On Somalia, Hussein was even vaguer about the actual issues under discussion, commenting only that the three Presidents had issued a statement supporting an inclusive political dialogue.

14. (C) Comment: This meeting was requested by the Sudanese and we presumed it would be a continuation of Sudanese efforts here to urge U.S. support for an Eritrean-led mediation on Darfur (the Darfur mediation was, in fact, raised by Hussein, to be reported septel). However, Hussein opened the meeting by volunteering this detailed information on Qatar's expanding engagement with Eritrea and Sudan. Post has noticed an increase of interaction between Eritrea and Qatar in recent months, which is in keeping with the GSE's apparent regional strategy of finding a new group of less critical friends than the U.S. and western democracies -- efforts which have included diplomatic overtures to Iran. Post notes with interest as well Ref B from Embassy Khartoum suggesting that Sudan is also turning to Iran and Qatar as a response to its growing isolation from the west. The GSE, desperate for financial resources and keen to enhance its regional standing in order to pressure Ethiopia and influence events in the Horn, has been more than willing to serve as a

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channel for Arab supporters of the CIC to provide assistance to the CIC without being directly seen as doing so. The GSE welcomes the notoriety its support for the CIC is giving it, delights in being the regional voice attacking the USG for its "invasion" of Somalia using our Ethiopian (and now, Ugandan) "proxies." It seems clear that the GSE hopes that this will also translate into financial and political support from the Arab world.

15. (C) Comment continued: The commercial agreements with Qatar are in keeping with the GSE's professed interest to develop the Massawa and Assab port areas and their much-touted (but yet developed) plans for a Free Trade Zone in the ports. And, it may be that Qatar's primary long-term interest is commercial gain through investing in the ports and the improved infrastructure between Sudan and Eritrea. Hussein's statement that Qatar could be considering offering itself as a moderator between the U.S. and international community on one side and the Sudanese and Eritreans on the other on Darfur is interesting, however. Given the Sudanese' apparent enthusiasm for the Qatari role, we wonder if they envision Qatar as an ally in trying to undercut the AU-UN process which neither the Sudanese nor the Eritreans favor. We are curious as well as to whether Qatar, or the commercial entities involved in the new development effort, are among those sympathetic to the CIC. We have little window from here on Qatari attitudes or inclinations and their Ambassador is virtually never present in Asmara while their DCM is on an extended holiday. We would welcome any insights Department or Embassy Doha can offer. Depending on Qatar's own attitudes and the current state of our own relationship with them, we might also want to consider urging Qatar to use its seemingly growing influence with Eritrea to press them to cease their destabilizing actions in the region. End Comment. DeLisi